

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

#### RAISING THE DEBT CEILING

Mr. THUNE. Madam President, since I first came to the Congress back in 1997 as a freshman Member of the House of Representatives, I have been talking about spending and debt and deficits, and that was a key, central element of my campaign for my first election to the House of Representatives way back in the day. Of course, at that time the numbers were a lot less daunting than they are today.

If we just look at even where we were 15 years ago in relative terms, the point at which we find ourselves today is almost overwhelming. The debt now is over \$14 trillion. We are being asked to raise the debt ceiling even further. I would argue we can no longer afford to put these hard decisions off because these are serious times and these call for serious solutions and serious leadership. I hope we are up to that task.

For a long time we thought debts and spending and deficits and all those sorts of things could be acceptable up to a certain level, and I suppose to some degree that is true. Historically, if we look at our country in terms of revenue and spending, over time we have consistently had a certain amount of debt that we carried. But I think by any stretch, any American, any economist, anybody who watches this closely has to recognize the situation in which we find ourselves today is unprecedented in American history and cries out for action—immediate action and bold action.

This is something I would argue my constituents are very concerned about—I think all Americans are very concerned about—because, again, if we look at it in relative terms, where we are today—\$14 trillion in accumulated debt—and we go back in the annals of history and look at from the formation of this country back in the late 1700s until 1849, our Federal Government spent—if you can imagine this—only about \$1 billion over that 60-year time period.

Today, we will borrow \$4 billion. Between today at 9:50 a.m. and this time tomorrow at 9:50 a.m., our Federal Government will borrow \$4 billion, which, to put that into perspective, suggests we will borrow, in the next 24 hours, more than four times what we spent in our first 60 years as a nation.

Now, in fact, in 1835, under President Andrew Jackson, the government debt—for the only time in our Nation's history—was completely paid off. Since that time, our debts have been large and small, with large runups in the debt during times of war, while the debt largely declined during times of peace. Never, though, did our debt top even 50 percent of our entire economy, of our GDP, until the Great Depression.

At the end of World War II, debt topped 120 percent of GDP. But in the postwar period, debt steadily declined

as a percentage of our economy, attributable to a couple factors: One was strong economic growth, and the second was a government that managed to keep spending relatively low.

When we look at the post-World War II time period, and we get into the 1960s and we reach the end of the 1960s, in that time period to 2008—from 1969 to 2008—on average government spending consumed about 20.6 percent of our entire economy while taxes during that time period on average were about 18 percent of our economy. That, in balance, led to a sizable but a manageable national debt. Debt held by the public just before this President took office was \$6.3 trillion.

Now, to put it into perspective, during the previous 40 years the budget was balanced on five occasions. So if we look back, in the last 40 years of our Nation's history there were five occasions on which we were able to balance the budget. In each of these years—and those were 1969, 1998, 1999, 2000, and 2001—spending was below the historical average.

In 1969 spending was just 19.4 percent of our GDP. In 1998 it was 19.1 percent of our GDP. In 1999 it was 8.5 percent of GDP. In 2000 and 2001 it was only 18.2 percent of our GDP. So when we look at the years when our budget was balanced, spending averaged just under 18.7 percent of GDP. So what are we set to spend this year? Madam President, 24.3 percent of our GDP—an astonishing 30 percent more than we have spent historically when our budget was balanced. Our debt held by the public at the end of this year will be nearly double what it was when this President took office.

So how did we get to such a high level of spending? Well, to be fair, I think we would have to say some of this is attributable to the economic downturn. Obviously, tax receipts, revenues, are down as a consequence of the economy being in a recession. We also have the ongoing conflicts in Iraq and Afghanistan, which have been expensive and, obviously, have required a large commitment of resources in order to conduct the operations that are necessary for success there. But I would also argue that a substantial chunk is due to the spending spree that Congress has been on since 2008.

Between 2008 and 2010 spending on nondefense discretionary programs went up more than 20 percent even though inflation over that same time period was around 2 percent. When we add in what eventually the bailouts of Fannie Mae and Freddie Mac are going to cost, which will be hundreds of billions of dollars, that adds significantly to the debt. Of course, the stimulus boondoggle cost us over \$800 billion in the short term. When we add in the interest costs that are associated with that, it will be over \$1 trillion—which was all borrowed, borrowed money, borrowed from our children and grandchildren.

When we look at the percentage, as I said before, of spending \$1 trillion, lit-

erally, on that one program, that one policy, the stimulus program that went into effect a couple years ago, that is literally a thousand times more than what we spent as a nation in our first 60 years of its existence.

If we look at the projections included in the President's budget, it is revealing that it never balances, and that is due entirely to spending. Spending under the President's budget never falls below 23 percent of our entire economy, of our GDP. After 2015 it grows, and there is not a single year when the spending does not grow as a share of our economy. So we have this constant growth in overall spending as a percentage of our GDP that is way beyond the norm if we look at any sort of historical average.

So when the President submitted his initial budget to the Congress, I think we were all hopeful it would demonstrate an acknowledgement that he gets it; that he understands the dimensions of this problem and how serious our fiscal and financial straits are. But the budget he submitted to Congress a few months ago actually increased spending over the 10-year time period, massively increased the debt, and raised taxes on our small businesses at a time when, as I said earlier, we are hoping to get the economy growing and expanding again, which helps address many of the problems I just mentioned. We cannot have economic growth when we are raising taxes on the job creators in our economy, which is our small businesses.

I would argue the two things that are going to be necessary for us to get our economy back on track and to address this issue of spending and this out-of-control debt are to get spending under control, to make the hard decisions that have been put off for far too long; and, secondly, to put policies in place that will enable and create the conditions for economic growth and job creation.

Well, if we look at what the current administration is doing in terms of policies, what I hear as I travel in my State of South Dakota from small businesses—I hear it from agricultural producers—is that at almost every turn they are facing new regulations, new policies coming out of Washington that do not reduce the cost of doing business but actually increase the cost of doing business and drive down their margins, make it more difficult for them to invest capital, to hire new people, and to get this economy going and expanding again.

There are numerous examples of that. We have a number of agencies that are just issuing, promulgating regulations, pursuing an aggressive agenda, much of which cannot be accomplished in Congress because there are not the votes in the Congress to accomplish much of that agenda. So the administration has decided, by just sort of an executive power grab, to try to accomplish much of that agenda.

Well, as I said before, most of those policies are things that make it more

expensive to do business in this country and are going to make it more difficult for our small businesses to get back on track. I mentioned the tax increases the President has proposed, consistently proposed, not only in the budget he released to Congress several months ago but more recently, a couple weeks back, when he came out with his sort of new improved budget still loaded up with tax increases on small businesses—the very opposite of what we would want to do if we want to encourage small businesses to invest and create jobs.

The economic uncertainty that is created by tax policies which are not permanent, expire in a couple years, the economic uncertainty created by not knowing what the next regulation coming out of Washington, DC, is going to do to their bottom line is creating an anxiety out there among investors and keeping on the sidelines a lot of the capital that otherwise would be put to work and deployed in creating jobs.

So if we look at just a few examples—the EPA is probably the most notable one; that is the one I hear the most about—it does not matter whether I am talking to a small business group or whether I am talking, again, to farmers and ranchers, consistently, they say: These regulations coming out of Washington, DC—and specifically in this case, most of them are referring to policies that are coming out of the EPA—are making it very difficult for us to create jobs, to put people back to work, and to invest, reinvest in our businesses.

So we have these types of regulations that are coming out of these agencies. We also have, as I said, a runup in costs associated with many of the policies the Congress has enacted, the spending and debt issues that have been created by the stimulus bill, the new health care bill, which when it is fully implemented will cost \$2.5 trillion or thereabouts, but it is going to pass on lots of new costs to businesses across this country not only in the form of tax increases but also in the form of higher insurance rates which they are going to be looking at.

I think you are going to see a continued period where businesses in this country—small businesses—because of this economic uncertainty, will continue to sit it out and don't do the things that are necessary to get people back to work and to deal with high unemployment. There is also the issue of a depressed economic downturn that will make it more difficult for us to expand the economy and address this issue of increasing revenues at the Federal level, which will help solve the problem we have with the deficit and debt.

Another issue that I think is significant now, but it is always an issue for the people I represent in South Dakota, is high energy costs. The Democratic prescription—the most recent one—is to tax energy companies. If you want to get lower cost energy, one of the

things you would not do is raise taxes and make it more costly and expensive for people to do business. If you look at, again, EPA and their attempt to regulate greenhouse gas emissions under the Clean Air Act, which they don't have the authority to do but want to do anyway, has made it more difficult for energy companies to get permits, and a number of projects have been scratched across this country. I can think of a couple in South Dakota.

If you look at the fact that if we continue to get 60 percent of our fuel from outside the United States—we are literally sending \$1 billion a day to foreign countries because of our addiction to foreign energy—and if you look at the policies here that we should be implementing if we are interested in getting to be energy independent and produce more American energy, you find a complete contradiction with what the President and his allies in Congress say. They all talk about energy independence, getting away from spending \$1 billion a day on foreign oil. Yet, their policies tell another story, because we are limiting even more the amount of area in this country that would be open to energy exploration and production. We have enormous resources in the United States—oil and gas, clean coal, biofuels, and others that we can gain access to.

Right now, we have energy policies that seem more intent on and concerned with some other agenda rather than energy independence. If you are interested in energy independence, I would think you would put policies into place that encourage the production of more American energy. Exactly the opposite is occurring. We have more and more areas that have been taken off limits—public lands. We cannot get to the Outer Continental Shelf. A permatorium is in existence in the South. The North Slope of Alaska has tremendous energy resources. Much of this is off limits, and that will continue to drive us into the arms of foreign countries—many that don't have the best interests of this country in mind and, perhaps even worse, fund organizations that plan attacks against the United States and our allies.

It strikes me at least that if you are serious about getting deficits and debt under control, the one thing you would do is put policies into place that enable small businesses to do what they do best, and that is grow and create jobs. Secondly, you would put constraints on Federal spending in Washington, DC—this issue I mentioned earlier—so that the consistent runup in the amount we spend on our Federal Government as a percentage of GDP will start to not only taper off but come down.

There are a number of suggestions that have been made out there—certainly, perhaps, no perfect one. At least people are taking a legitimate shot at trying to address this issue. There has been a lot of discussion about the Ryan budget that was passed by the House of Representatives. That

is already being immediately attacked. Perhaps it is not perfect, but it is a serious effort to control spending.

The only other suggestions we have seen, as I mentioned, are some statements made by the President about his proposals, again, all of which increase taxes, increase spending, and add massively to the Federal debt. It seems to me that we are not having a serious discussion about balancing our budget and paying off our debt, particularly, again, when you put into perspective where we are. Between now and 10 a.m. tomorrow, we will borrow another \$4 billion, which, as I said before—I think it bears repeating—is literally four times the amount our entire country spent in the first 60 years of its existence. Again, that is \$4 billion between now and this time tomorrow.

We are being requested to raise the debt limit, the amount we can borrow, raise the limits on our credit card in the next few weeks because we are up against that ceiling. We have hit the maximum. We have capped out our ability to borrow money. We are going to be asked to make a vote to increase that borrowing ceiling. I don't think that can occur honestly until such time as we are willing to put into place and take the necessary steps to get this issue of spending under control.

This is, by definition, a spending issue. Some people argue that we need tax increases and additional revenue. The observation I made about balancing the budget was that at the times we did that over the last 40 years—on those five occasions, in every case, we spent less than the average—in some cases significantly less—as a percentage of our GDP.

Clearly, the way to attack this issue is to get spending under control. That will require hard decisions, many of which have been postponed. We have been kicking the can down the road for a long time. We are out of road now. We have come up to the cliff. We cannot kick the can any further. The road is at an end. We are up against some very serious impediments if we don't take the necessary steps to fix the problem.

Again, when I talk about the seriousness of it, over the last few years we have paid lip service to the issue of spending and debt. I maintain that you have to judge people by what they do and how they vote, not by what they say. We need to debate this issue. As we get into the discussion over raising the debt limit, it creates an opportunity for both sides—Republicans and Democrats—to come together behind a plan that will meaningfully reduce spending in this country, which will deal with entitlement reform, which is needed. We cannot solve this problem in the long term unless we address the issue of entitlement reform and get some limits on spending that will be binding, that we cannot get around.

It is too easy to waive things here and declare an emergency and continue to spend as if there is no tomorrow.

These are serious times. They require serious leadership and serious solutions. That point is no better made than by some of our leaders in this country. As we all know, the chairman of the Joint Chiefs of Staff, ADM Mike Mullen, has said in testimony before Congress that the greatest threat to America's national security is our national debt. I think that is a stunning and powerful statement about where we are and the importance of acting now. We had the former Federal Reserve Chairman, Alan Greenspan, say not too long ago that there is a 50-percent probability that we will face a debt crisis in the next 2 to 3 years. And then, of course, we had Standard & Poors provide a negative assessment to our credit rating in this country. That, too, is something we have not seen before. I hope we are willing to take the necessary steps to avoid our credit rating being downgraded. When you get an assessment such as that, it is not too long that a downgrade in your credit rating follows.

Those are not just anecdotal things, those are fact-based assessments and analysis of where we are. These are people who know the importance of dealing with these issues. If we continue to borrow more money from other places and don't take the necessary steps to fix this, we will continue to put our future of our children and grandchildren at greater risk and in greater jeopardy.

This will not be easy. Obviously, there will be political consequences to any decisions we make. But these decisions are more difficult because we have put them off for so long. The easy decisions, the low-hanging fruit is no longer out there. We have to decide now, are we going to continue to spend and spend and borrow and borrow, to the point where we head over the cliff because we ran out of road, or will we make these decisions now and get serious about providing a stronger and better and more prosperous future for our children and grandchildren?

We cannot act as though the Federal Government doesn't have a spending problem. Those days are gone. We no longer have that luxury; the numbers bear that out. So we need to look at the debt limit and the upcoming vote as an opportunity for Republicans and Democrats to come together behind a plan that will meaningfully address our spending problem.

The status quo is not acceptable. It is going to require leadership from the President, which has been nonexistent so far. I hope he will step forward. It will require leadership from Democrats in the Senate. They control the agenda here and they have the majority. I hope we do a budget this year. We didn't do one last year in the Senate. I think it is important to have that debate, so that the American people see us debating how we are going to spend their tax dollars. That is something every American should expect and deserves from their elected leaders.

I hope we will have a budget markup where we can get these issues out in front not only for us to discuss but also in front of the American people. This is their future we are talking about. If we don't act, we are putting in great peril and jeopardy the future for our children and grandchildren.

I wanted to point out where we have come from and where, in my view, we need to go if we are going to solve this problem. I hope my colleagues will join in that discussion, not only rhetorically but that their actions will follow. We cannot just talk about this; it is time for us to quit talking and start acting.

I yield the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANCHIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### HIGH GASOLINE PRICES

Mr. MANCHIN. Madam President, I rise to speak about an issue that is directly impacting each and every family, not just in West Virginia but throughout this whole country. It is the high gas prices. The truth is, in States all across this Nation, and particularly in West Virginia, countless families have to drive to survive. For these families, a jump in the gas price is not just an inconvenience or an annoyance, it is a threat that hits extremely hard in the pocketbook and could change their way of life.

But as every American knows, the cycle of high gas prices is not a new phenomenon with any of us. I still vividly remember waiting in line for gas in the early 1970s, when gas was rationed based on our license number—when we could buy gas. It is something I thought could never happen in America, and I am sure those whom it happened to felt the same.

This all came about because of our dependency on foreign oil. If we think back to the early 1970s, we were 28 percent dependent on foreign oil, which we thought was a high number at that time. But today we are more than 50 percent dependent on foreign oil, which has caused a massive transfer of American wealth to countries that do not like us that much and want to do us harm. We have seen this bad movie time and again. Yet somehow it seems Washington keeps thinking there is going to be a different outcome or a different ending. The right ending will only come when our Nation makes it a high priority to achieve energy independence within this generation.

While crafting such a bold plan will be difficult, I recognize—and the special interests that oppose using our own resources such as coal, natural

gas, and oil in an environmentally responsible way will resist loudly—we can no longer allow this Nation and our hard-working families to be held hostage by high gas prices. We can no longer allow partisanship and politics to undermine the common ground that can be achieved if we work together with one goal in mind—true energy independence within this generation.

Let me make it perfectly clear, high gas prices are not the only high price we are paying as a nation. For decades, our great men and women who serve us so well have been called to action in defense of our vital interests in the Middle East and all around the world. Thousands have been killed and injured. Their families have suffered the incredible pain of loss. Our nations have spent trillions in the course of these missions. Yet too many of these oil-rich countries have and will continue to use against us our dependence on their oil.

For all these reasons and for the sake of our national security, it is time for our Nation to become truly energy independent within this generation. I believe we can do it, and I know we can because just this week in beautiful Mingo County, WV, my State took a major step to confront our gas prices head on. On Monday, West Virginia said enough is enough. On a sunny morning in the town of Gilbert, WV, I helped break ground on a promising new project that could help bring down the crushing gas prices our families are confronting. There, entrepreneurs and State and local governments are participating to create hundreds of jobs at a coal-to-gasoline plant that is at the forefront of any technology in the world.

The anticipated production of this plant is very impressive. It is projected to convert 7,500 tons of West Virginia coal into 756,000 gallons of premium gasoline each and every day, which can be used to run our cars and our trucks and even some of our military equipment.

Over a 4-year construction period, it is estimated that 3,000 skilled trade workers in America will be employed. When the plant is finished, it is expected to create 300 direct jobs and hundreds of more ancillary jobs in the community.

In West Virginia and Mingo County, the government is acting as a partner—and as a good partner, not an obstacle—and that is the role our Federal Government should take toward energy independence. This is exactly the kind of project the Federal Government should work on with us to make sure it succeeds. They should be our ally, not an obstacle or an adversary. If my little State has the courage to step out and invest in our independence, then the Federal Government should also have the courage to do the same. West Virginians are sending the right message for this country. We will not let ourselves be held hostage to foreign countries that want to see the United